

Mr. Speaker, today, I think, represents the culmination of a series of wonderful bipartisan efforts that, while on their face to those who are not initiated may seem to deal with disparate subjects insofar as they stem from Iranian ballistic missiles to Hezbollah's use of humans as shields, are, in effect, dealing with the same subject.

Mr. Speaker, one can't separate Hezbollah from Iran. In fact, Hezbollah was born only a few short years after the Iranian Revolution, which brought such heartache that the loss of life in Iran, adjusted for population, mirrors that of the entire loss of life by the United States in combat during the entire Second World War.

These are innocent Iranians killed by their own government, Mr. Speaker. And we see, also, that the Hezbollah forces in Israel, Lebanon, and, indeed, around the world quite literally have continued to use human shields.

My friend and colleague from California, Congressman ROHRBACHER, said that Hezbollah actions had degenerated to the point where they were using human shields. While I hold Mr. ROHRBACHER in great esteem, I would submit that they haven't degenerated, because that implies at some point that Hezbollah didn't engage in such reprehensible behavior.

So the bipartisan actions led by Ranking Member ENGEL and Chairman ROYCE today bring us to where, indeed, we need to be by virtue of the reality of the world in which we live. Hezbollah does not exist but for the largess of Iran and the monies funneled by the Iranian regime.

The Hezbollah missiles, which Member FRANKEL eloquently spoke of, are, indeed, Iranian missiles, and the ICBMs that Iran is developing that we seek to curtail stem from a failure to include a prohibition on ICBM development in the JCPOA under which this Congress and this administration now labor.

I would note for the RECORD, for the Members, and for those who might be viewing at home that U.N. Security Council Resolution 1929 of 2010, which included signatures from the Russians and the Chinese, said that Iran was forbidden from engaging in missile development. The JCPOA says Iran is asked not to engage in this.

The SPEAKER pro tempore. The time of the gentleman has expired.

Mr. ROYCE of California. Mr. Speaker, I yield the gentleman from Virginia an additional 1 minute.

Mr. GARRETT. Mr. Speaker, so we then arrive at the point where the good work of Mr. ENGEL and Chairman ROYCE is needed today, and that is what we do. It is with a glad heart that I note the bipartisan nature of these agreements.

Mr. ENGEL. Mr. Speaker, I yield myself the remainder of my time to close the way I always do.

Mr. Speaker, I want to thank my colleagues on both sides for their hard work on this bill. I want to remind my colleagues that, just a few years ago

when the last war was raging in Gaza, the other terrorist group, Hamas, used civilians as human shields. We had a resolution on the floor of this House condemning it, and I was very, very proud that that resolution passed unanimously.

We need to condemn these terrorist groups no matter what they do, but when they use people as human shields—innocent people—and then try to blame the other side for the death, it is not something that we can countenance or stand for at all. I hope that we rise to the occasion this time, as well, because I can think of nothing more despicable than using innocent civilians as human shields.

These bomb factories are built in mosques, they are built in schools, and they are built in playgrounds. They are built where children are. They are built because they are daring Israel and the United States to go after them when we know that there will be human casualties. It is really a despicable position.

Here you have two terrorist groups, Hezbollah and Hamas. One is Shia; one is Sunni. It doesn't matter. They are both out to kill people. They are both out to terrorize people. They are both out to do the opposite of what we try to do in the United States: lifting people up.

They need to be stopped, and this Congress needs to keep sending strong messages with teeth behind them to the world that we will not sit idly by and allow these terrorist activities to happen.

Using civilians as human shields is really the lowest of the low. The fact that Hezbollah would put innocent men, women, and children in harm's way as human shields tells you everything you need to know about this organization. It is a cowardly practice by a gruesome group, and it cannot and shall not be tolerated.

This measure puts us on record again condemning this terrorist group, and it gives the administration more tools to deal with one of Hezbollah's worst tools, more tools to deal with Hezbollah to stop its terrorist activities. So I urge a bipartisan "yes" vote.

I thank Chairman ROYCE again for his collaboration with us on both sides of the aisle. That is one of the great things about the Foreign Affairs Committee because we realize that partisanship stops at the water's edge. When we are talking about terrorist groups and we are talking about anti-democratic groups, they affect us all. It is important that this Congress sends strong bipartisan measures and a strong bipartisan voice to say we will not tolerate these atrocities.

Mr. Speaker, I urge a "yes" vote from all my colleagues on both sides, and I yield back the balance of my time.

Mr. ROYCE of California. Mr. Speaker, I yield myself the remainder of my time.

Mr. Speaker, I did want to say I have had the opportunity to travel exten-

sively with Mr. ENGEL and to observe him and his work here in this House for many years. He has always transcended partisanship in my view, but, more importantly, from my standpoint, he has been a servant of the national interests here and the core values of the United States of America and our attempt to represent those core values around the world.

I want to take this moment, especially given his eloquent statement here about these values as he spoke about Hezbollah. These are values that I think all of us should share.

The Geneva Convention, itself, establishes standards for international law, and it does so for the protection of civilians in a war zone. They specifically prohibit, under that Geneva Convention, of course, the use of civilians as human shields. It is article 58 of the Convention's additional protocols that require parties of any conflict to avoid locating military objectives within or near densely populated areas.

So, to date, Hezbollah's arsenal is well over 100,000. As I shared with you, all of them are manufactured today by Iran. Those rockets and missiles of various ranges today include precision-guided missiles.

I spoke earlier of 2006, the second Lebanon War. That actually should be called the Hezbollah war. At that time, as I talked about the 600 victims that were in the trauma hospital, they were down to an inventory of 10,000 missiles. Today, they have, in the hands of Hezbollah—again, because of Iran—over 100,000 such rockets and missiles.

So I think, yes, Hezbollah has blatantly violated the well-established laws of armed conflict. It has targeted civilians for more than two decades in both Lebanon and Israel. As a result, both peoples are victims of Hezbollah's—and, frankly, of Iran's—brutality, and it is high time we hold them accountable. This we try to do in this legislation.

Mr. Speaker, I thank, again, Mr. ENGEL, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. ROYCE) that the House suspend the rules and pass the bill, H.R. 3342, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

HIZBALLAH INTERNATIONAL FINANCING PREVENTION AMENDMENTS ACT OF 2017

Mr. ROYCE of California. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3329) to amend the Hizballah International Financing Prevention Act of 2015 to impose additional sanctions with respect to Hizballah, and for other purposes, as amended.

The Clerk read the title of the bill.
The text of the bill is as follows:

H.R. 3329

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) **SHORT TITLE.**—This Act may be cited as the “Hizballah International Financing Prevention Amendments Act of 2017”.

(b) **TABLE OF CONTENTS.**—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—PREVENTION OF ACCESS BY HIZBALLAH TO INTERNATIONAL FINANCIAL AND OTHER INSTITUTIONS

Sec. 101. Mandatory sanctions with respect to fundraising and recruitment activities for Hizballah.

Sec. 102. Modification of report with respect to financial institutions that engage in certain transactions.

Sec. 103. Sanctions against foreign states that support Hizballah.

Sec. 104. Prohibitions and conditions with respect to certain accounts held by foreign financial institutions.

Sec. 105. United States strategy to prevent hostile activities by Iran and disrupt and degrade Hizballah’s illicit networks in the Western Hemisphere.

TITLE II—NARCOTICS TRAFFICKING AND SIGNIFICANT TRANSNATIONAL CRIMINAL ACTIVITIES OF HIZBALLAH

Sec. 201. Blocking of property of affiliated networks of Hizballah.

Sec. 202. Report on racketeering activities engaged in by Hizballah.

Sec. 203. Modification of report on activities of foreign governments to disrupt global logistics networks and fundraising, financing, and money laundering activities of Hizballah.

Sec. 204. Report on combating the illicit tobacco trafficking networks used by Hizballah and other foreign terrorist organizations.

TITLE III—GENERAL PROVISIONS

Sec. 301. Regulatory authority.

Sec. 302. Implementation; penalties; judicial review; exemptions.

TITLE I—PREVENTION OF ACCESS BY HIZBALLAH TO INTERNATIONAL FINANCIAL AND OTHER INSTITUTIONS

SEC. 101. MANDATORY SANCTIONS WITH RESPECT TO FUNDRAISING AND RECRUITMENT ACTIVITIES FOR HIZBALLAH.

(a) **IN GENERAL.**—Section 101 of the Hizballah International Financing Prevention Act of 2015 (Public Law 114–102; 50 U.S.C. 1701 note) is amended to read as follows:

“SEC. 101. MANDATORY SANCTIONS WITH RESPECT TO FUNDRAISING AND RECRUITMENT ACTIVITIES FOR HIZBALLAH.

“(a) **IN GENERAL.**—The President shall, on or after the date of the enactment of this section, impose the sanctions described in subsection (b) with respect to any foreign person that the President determines knowingly assists, sponsors, or, provides significant financial, material, or technological support for—

“(1) Bayt al-Mal, Jihad al-Bina, the Islamic Resistance Support Association, the Foreign Relations Department of Hizballah, the External Security Organization of Hizballah, or any successor or affiliate thereof;

“(2) al-Manar TV, al Nour Radio, or the Lebanese Media Group, or any successor or affiliate thereof;

“(3) a foreign person determined by the President to be engaged in fundraising or recruitment activities for Hizballah; or

“(4) a foreign person owned or controlled by a foreign person described in paragraph (1), (2), or (3).

“(b) **SANCTIONS DESCRIBED.**—

“(1) **IN GENERAL.**—The sanctions described in this subsection are the following:

“(A) **ASSET BLOCKING.**—The exercise of all powers granted to the President by the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (except that the requirements of section 202 of such Act (50 U.S.C. 1701) shall not apply) to the extent necessary to block and prohibit all transactions in all property and interests in property of a foreign person determined by the President to be subject to subsection (a) if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.

“(B) **ALIENS INELIGIBLE FOR VISAS, ADMISSION, OR PAROLE.**—

“(i) **VISAS, ADMISSION, OR PAROLE.**—An alien who the Secretary of State or the Secretary of Homeland Security (or designee of one of such Secretaries) determines is subject to subsection (a) is—

“(I) inadmissible to the United States;

“(II) ineligible to receive a visa or other documentation to enter the United States; and

“(III) otherwise ineligible to be admitted or paroled into the United States or to receive any other benefit under the Immigration and Nationality Act (8 U.S.C. 1101 et seq.).

“(ii) **CURRENT VISAS REVOKED.**—

“(I) **IN GENERAL.**—The Secretary of State or the Secretary of Homeland Security shall revoke any visa or other entry documentation issued to an alien who the President determines is subject to subsection (a), regardless of when issued.

“(II) **EFFECT OF REVOCATION.**—A revocation under subclause (I) shall take effect immediately and shall automatically cancel any other valid visa or entry documentation that is in the possession of the alien.

“(2) **PENALTIES.**—The penalties provided for in subsections (b) and (c) of section 206 of the International Emergency Economic Powers Act (50 U.S.C. 1705) shall apply to a person that violates, attempts to violate, conspires to violate, or causes a violation of regulations prescribed under paragraph (1)(A) to the same extent that such penalties apply to a person that commits an unlawful act described in subsection (a) of such section 206.

“(c) **IMPLEMENTATION.**—The President may exercise all authorities provided under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 1704) to carry out this section.

“(d) **WAIVER.**—

“(1) **IN GENERAL.**—The President may, for periods not to exceed 180 days, waive the imposition of sanctions under this section with respect to a foreign person or foreign persons if the President certifies to the appropriate congressional committees that such waiver is in the national security interests of the United States.

“(2) **CONSULTATION.**—

“(A) **BEFORE WAIVER EXERCISED.**—Before a waiver under paragraph (1) takes effect with respect to a foreign person, the President shall notify and brief the appropriate congressional committees on the status of the involvement of the foreign person in activities described in subsection (a).

“(B) **AFTER WAIVER EXERCISED.**—Not later than 90 days after the issuance of a waiver under paragraph (1) with respect to a foreign person, and every 120 days thereafter while the waiver remains in effect, the President

shall brief the appropriate congressional committees on the status of the involvement of the foreign person in activities described in subsection (a).

“(e) **REPORT.**—Not later than 90 days after the date of the enactment of the Hizballah International Financing Prevention Amendments Act of 2017, and every 180 days thereafter, the President shall submit to the appropriate congressional committees and the Permanent Select Committee on Intelligence of the House of Representatives and the Select Committee on Intelligence of the Senate a report that lists the foreign persons that the President has credible evidence knowingly assists, sponsors, or provides significant financial, material, or technological support for the foreign persons described in paragraph (1), (2), (3), or (4) of subsection (a).

“(f) **DEFINITIONS.**—In this section:

“(1) **ADMITTED; ALIEN.**—The terms ‘admitted’ and ‘alien’ have meanings given those terms in section 101 of the Immigration and Nationality Act (8 U.S.C. 1101).

“(2) **APPROPRIATE CONGRESSIONAL COMMITTEES.**—The term ‘appropriate congressional committees’ means—

“(A) the Committee on Foreign Affairs, the Committee on Ways and Means, the Committee on the Judiciary, and the Committee on Financial Services of the House of Representatives; and

“(B) the Committee on Foreign Relations, the Committee on Banking, Housing, and Urban Affairs, and the Committee on the Judiciary of the Senate.

“(3) **ENTITY.**—The term ‘entity’—

“(A) means a partnership, association, corporation, or other organization, group, or subgroup; and

“(B) includes a governmental entity

“(4) **FUNDRAISING OR RECRUITMENT ACTIVITIES.**—The term ‘fundraising or recruitment activities’ includes online fundraising and other online commercial activities, or other means of such fundraising, recruitment, and retention, as determined by the President.

“(5) **HIZBALLAH.**—The term ‘Hizballah’ has the meaning given such term in section 102(f).

“(6) **PERSON.**—The term ‘person’ means an individual or entity.

“(7) **UNITED STATES PERSON.**—The term ‘United States person’ means a United States citizen, permanent resident alien, entity organized under the laws of the United States (including foreign branches), or a person in the United States.”.

(b) **CLERICAL AMENDMENT.**—The table of contents for the Hizballah International Financing Prevention Act of 2015 is amended by striking the item relating to section 101 and inserting the following new item:

“Sec. 101. Mandatory sanctions with respect to fundraising and recruitment activities for Hizballah.”.

SEC. 102. MODIFICATION OF REPORT WITH RESPECT TO FINANCIAL INSTITUTIONS THAT ENGAGE IN CERTAIN TRANSACTIONS.

(a) **IN GENERAL.**—Subsection (d) of section 102 of the Hizballah International Financing Prevention Act of 2015 (Public Law 114–102; 50 U.S.C. 1701 note) is amended to read as follows:

“(d) **REPORT ON FINANCIAL INSTITUTIONS ORGANIZED UNDER THE LAWS OF STATE SPONSORS OF TERRORISM.**—

“(1) **IN GENERAL.**—Not later than 90 days after the date of the enactment of the Hizballah International Financing Prevention Amendments Act of 2017, and annually thereafter for a period not to exceed three years, the President shall submit to the appropriate congressional committees and the Committee on Appropriations of the House of Representatives and the Committee on Appropriations of the Senate a report that—

“(A) identifies each foreign financial institution described in paragraph (2) that the President determines engages in one or more activities described in subsection (a)(2);

“(B) provides a detailed description of each such activity; and

“(C) contains a determination with respect to each such foreign financial institution that is identified under subparagraph (A) as engaging in one or more activities described in subsection (a)(2) as to whether or not such foreign financial institution is in violation of Executive Order 13224 (50 U.S.C. 1701 note; relating to blocking property and prohibiting transactions with persons who commit, threaten to commit, or support terrorism) or section 2339B of title 18, United States Code, by reason of engaging in one or more such activities.

“(2) FOREIGN FINANCIAL INSTITUTION DESCRIBED.—

“(A) IN GENERAL.—A foreign financial institution described in this paragraph is a foreign financial institution—

“(i) that, wherever located, is—

“(I) organized under the laws of a state sponsor of terrorism or any jurisdiction within a state sponsor of terrorism;

“(II) owned or controlled by the government of a state sponsor of terrorism;

“(III) located in the territory of a state sponsor of terrorism; or

“(IV) owned or controlled by a foreign financial institution described in subclause (I), (II), or (III); and

“(ii) the capitalization of which exceeds \$10,000,000.

“(B) STATE SPONSOR OF TERRORISM.—In this paragraph, the term ‘state sponsor of terrorism’ means a country the government of which the Secretary of State has determined is a government that has repeatedly provided support for acts of international terrorism for purposes of—

“(i) section 6(j) of the Export Administration Act of 1979 (50 U.S.C. 4605(j)) (as continued in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.));

“(ii) section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371);

“(iii) section 40 of the Arms Export Control Act (22 U.S.C. 2780); or

“(iv) any other provision of law.”.

(b) SENSE OF CONGRESS.—It is the sense of the Congress that—

(1) all countries should designate the entirety of Hizballah as a terrorist organization; and

(2) the notion of separate Hizballah political and military “wings” is an artificial construct that attempts to legitimize Hizballah members of parliament and Hizballah cabinet officials who are complicit in Hizballah’s use of violence and coercion against its political opponents.

(c) MODIFICATION OF DEFINITION OF HIZBALLAH.—Clause (ii) of section 102(f)(1)(E) of the Hizballah International Financing Prevention Act of 2015 (Public Law 114-102; 50 U.S.C. 1701 note) is amended—

(1) by striking “(I)” and inserting “(I)(aa)”;

(2) by striking “(II)” and inserting “(bb)”;

(3) by striking “of Hizballah.” and inserting “of Hizballah; or”; and

(4) by adding at the end the following:

“(II) who the President determines is an agent or affiliate of, or is owned or controlled by Hizballah.”.

(d) REPORT.—

(1) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the President shall transmit to the appropriate congressional committees a report that contains a description of any sanctions described in section 102 of the Hizballah International Financing Prevention Act of

2015 (Public Law 114-102; 50 U.S.C. 1701 note) apply with respect to a foreign financial institution by reason of engaging in an activity described in subsection (a)(2) of such section with a member of the Lebanese parliament or any cabinet official of the Lebanese Republic who is a member of Hizballah or identifies as such.

(2) FORM.—The report required by this subsection shall be transmitted in unclassified form but may include a classified annex.

(3) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this subsection, the term “appropriate congressional committees” means—

(A) the Committee on Foreign Affairs, the Committee on Appropriations, the Permanent Select Committee on Intelligence, and the Committee on Financial Services of the House of Representatives; and

(B) the Committee on Foreign Relations, the Committee on Appropriations, the Select Committee on Intelligence, and the Committee on Banking, Housing, and Urban Affairs of the Senate.

SEC. 103. SANCTIONS AGAINST FOREIGN STATES THAT SUPPORT HIZBALLAH.

(a) IN GENERAL.—Title I of the Hizballah International Financing Prevention Act of 2015 (Public Law 114-102; 50 U.S.C. 1701 note) is amended by adding at the end the following:

“SEC. 103. SANCTIONS AGAINST FOREIGN STATES THAT SUPPORT HIZBALLAH.

“(a) SANCTIONS AGAINST CERTAIN AGENCIES AND INSTRUMENTALITIES OF FOREIGN STATES.—

“(1) IN GENERAL.—Not later than 90 days after the date of the enactment of this section, and as appropriate thereafter, the President shall impose the sanctions described in paragraph (3) with respect to any agency or instrumentality of a foreign state described in paragraph (2).

“(2) AGENCY OR INSTRUMENTALITY DESCRIBED.—An agency or instrumentality of a foreign state described in this paragraph is an agency or instrumentality of a foreign state that the President determines has, on or after the date of the enactment of this section, knowingly—

“(A) directly or indirectly conducted combat operations with, or supported combat operations of, Hizballah or an entity owned or controlled by Hizballah; or

“(B) directly or indirectly provided significant financial or material support for, or significant arms or related material to, Hizballah or an entity owned or controlled by Hizballah.

“(3) SANCTIONS DESCRIBED.—The sanctions described in this paragraph are the exercise of all powers granted to the President by the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) (except that the requirements of section 202 of such Act (50 U.S.C. 1701) shall not apply) to the extent necessary to block and prohibit all transactions in all property and interests in property of an agency or instrumentality of a foreign state if such property and interests in property are in the United States, come within the United States, or are or come within the possession or control of a United States person.

“(b) SANCTIONS AGAINST STATE SPONSORS OF TERRORISM.—

“(1) IN GENERAL.—In the case of an agency or instrumentality of a foreign state that engages in the activities described in subsection (a) that is an agency or instrumentality of a foreign state described in paragraph (3), the President shall, pursuant to section 6 of the Export Administration Act of 1979 (as continued in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.)), require a li-

cense under the Export Administration Regulations to export or re-export to that foreign state any item designated by the Secretary of Commerce as ‘EAR 99’, other than food, medicine, medical devices, or similarly licensed items.

“(2) AUDITING REQUIREMENTS.—In the case of an agency or instrumentality of a foreign state that engages in the activities described in subsection (a) that is an agency or instrumentality of a foreign state described in paragraph (3), or the Government of the Russian Federation if the President determines such Government is engaged in the activities described in subsection (a), the President shall—

“(A) ensure that United States persons, and foreign persons subject to United States jurisdiction, exercise enhanced due diligence in the jurisdiction of that foreign state to ensure such persons do not directly or indirectly finance Hizballah or engage in transactions with foreign persons that directly or indirectly finance Hizballah;

“(B) ensure that United States persons, and foreign persons subject to United States jurisdiction, maintain—

“(i) internal controls to prevent such persons from engaging in a transaction or transactions with Hizballah; and

“(ii) full compliance with relevant laws and regulations;

“(C) ensure that United States persons, and foreign persons subject to United States jurisdiction, engage an auditor to perform due diligence to ascertain whether—

“(i) the internal controls of such person are effective; and

“(ii) any transactions of such person are directly or indirectly financing Hizballah; and

“(D) ensure the accuracy of the independent private sector audits and other due diligence processes by providing recommendations for the processes used to carry out such audits, including to—

“(i) improve the accuracy of such audits; and

“(ii) establish standards of best practices.

“(3) FOREIGN STATE DESCRIBED.—A foreign state described in this paragraph is a foreign state that—

“(A) the President determines has, on or after the date of the enactment of this section, knowingly provided significant financial or material support for, or arms or related material to—

“(i) Hizballah; or

“(ii) an entity owned or controlled by Hizballah; and

“(B) is a state sponsor of terrorism.

“(c) WAIVER.—

“(1) IN GENERAL.—The President may, for periods not to exceed 180 days, waive the imposition of sanctions under this section with respect to a foreign state or an agency or instrumentality of a foreign state if the President certifies to the appropriate congressional committees that such waiver is vital to the national security interests of the United States.

“(2) CONSULTATION.—

“(A) BEFORE WAIVER EXERCISED.—Before a waiver under paragraph (1) takes effect with respect to a foreign state or an agency or instrumentality of a foreign state, the President shall notify and brief the appropriate congressional committees on the status of the involvement of the foreign state in activities described in subsection (b)(3) or involvement of the agency or instrumentality of a foreign state in activities described in subsection (a)(2), as the case may be.

“(B) AFTER WAIVER EXERCISED.—Not later than 90 days after the issuance of a waiver under paragraph (1) with respect to a foreign state or an agency or instrumentality of a foreign state, and every 120 days thereafter

while the waiver remains in effect, the President shall brief the appropriate congressional committees on the status of the involvement of the foreign state in activities described in subsection (b)(3) or involvement of the agency or instrumentality of a foreign state in activities described in subsection (a)(2), as the case may be.

“(d) REPORT ON SUPPLY CHAIN OF HIZBALLAH’S MISSILE PRODUCTION FACILITIES.—

“(1) IN GENERAL.—Not later than 120 days after the date of the enactment of this subsection, the President shall submit to the appropriate congressional committees and the Committee on Appropriations and the Permanent Select Committee on Intelligence of the House of Representatives and the Committee on Appropriations and the Select Committee on Intelligence of the Senate on a report that contains the following:

“(A) An analysis of the foreign and domestic supply chain that significantly facilitates, supports, or otherwise aids Hizballah’s acquisition or development of missile production facilities.

“(B) A description of the geographic distribution of the foreign and domestic supply chain described in subparagraph (A).

“(C) An assessment of the provision of goods, services, or technology transferred to Hizballah by the Government of Iran or its affiliates to indigenously manufacture or otherwise produce missiles.

“(D) An identification of foreign persons that have, on or after the date of the enactment of this subsection, and based on credible evidence—

“(i) knowingly provided significant financial or material support for, or significant arms or related material to, Hizballah or an entity owned or controlled by Hizballah; or

“(ii) knowingly facilitated the transfer of significant arms or related material to Hizballah utilizing commercial aircraft or air carriers.

“(E) A description of the steps that the President is taking to disrupt the foreign and domestic supply chain described in subparagraph (A).

“(2) FORM.—The report required under paragraph (1) shall be submitted in unclassified form, but may contain a classified annex.

“(e) DEFINITIONS.—In this section:

“(1) AGENCY OR INSTRUMENTALITY OF A FOREIGN STATE; FOREIGN STATE.—The terms ‘agency or instrumentality of a foreign state’ and ‘foreign state’ have the meanings given those terms in section 1603 of title 28, United States Code.

“(2) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ‘appropriate congressional committees’ means—

“(A) the Committee on Foreign Affairs, the Committee on Financial Services, the Committee on Ways and Means, the Committee on the Judiciary, the Committee on Appropriations, and the Permanent Select Committee on Intelligence of the House of Representatives; and

“(B) the Committee on Foreign Relations, the Committee on Banking, Housing, and Urban Affairs, the Committee on Finance, the Committee on the Judiciary, the Committee on Appropriations, and the Select Committee on Intelligence of the Senate.

“(3) ARMS OR RELATED MATERIAL.—The term ‘arms or related material’ means—

“(A) nuclear, biological, chemical, or radiological weapons or materials or components of such weapons;

“(B) ballistic or cruise missile weapons or materials or components of such weapons;

“(C) destabilizing numbers and types of advanced conventional weapons;

“(D) defense articles or defense services, as those terms are defined in paragraphs (3) and

(4), respectively, of section 47 of the Arms Export Control Act (22 U.S.C. 2794); or

“(E) defense information, as that term is defined in section 644 of the Foreign Assistance Act of 1961 (22 U.S.C. 2403).

“(4) EXPORT ADMINISTRATION REGULATIONS.—The term ‘Export Administration Regulations’ means subchapter C of chapter VII of title 15, Code of Federal Regulations (as in effect on the date of the enactment of this Act).

“(5) HIZBALLAH.—The term ‘Hizballah’ has the meaning given that term in section 102(f).

“(6) STATE SPONSOR OF TERRORISM.—In this paragraph, the term ‘state sponsor of terrorism’ means a country the government of which the Secretary of State has determined is a government that has repeatedly provided support for acts of international terrorism for purposes of—

“(A) section 6(j) of the Export Administration Act of 1979 (50 U.S.C. 4605(j)) (as continued in effect pursuant to the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.);

“(B) section 620A of the Foreign Assistance Act of 1961 (22 U.S.C. 2371);

“(C) section 40 of the Arms Export Control Act (22 U.S.C. 2780); or

“(D) any other provision of law.”.

(b) CLERICAL AMENDMENT.—The table of contents for the Hizballah International Financing Prevention Act of 2015 is amended by inserting after the item relating to section 102 the following new item:

“Sec. 103. Sanctions against foreign states that support Hizballah.”.

(c) REPORT ON SIGNIFICANT MATERIAL SUPPORT AND ARMS OR RELATED MATERIEL PROVIDED BY THE RUSSIAN FEDERATION TO HIZBALLAH.—

(1) IN GENERAL.—Not later than 120 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report that contains the following:

(A) A description of significant material support and arms or related material that the Government of the Russian Federation has, on or after the date of the enactment of this Act, knowingly, directly or indirectly, provided to Hizballah or an entity owned or controlled by Hizballah.

(B) An analysis of the extent to which Russian strategic weapons deployed in Syria, including air defense systems, have provided protection for Hizballah fighters in Syria.

(C) An assessment of whether Russian counter-proliferation safeguards can ensure that any arms or related materiel described in subparagraph (A) will not be used against Israel in the future.

(2) FORM.—The report required by paragraph (1) shall be submitted in unclassified form but may include a classified annex.

(3) DEFINITIONS.—In this subsection:

(A) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” has the meaning given such term in section 103 of the Hizballah International Financing Prevention Act of 2015, as added by this section.

(B) ARMS OR RELATED MATERIAL.—The term “arms or related material” has the meaning given such term in section 103 of the Hizballah International Financing Prevention Act of 2015, as added by this section.

SEC. 104. PROHIBITIONS AND CONDITIONS WITH RESPECT TO CERTAIN ACCOUNTS HELD BY FOREIGN FINANCIAL INSTITUTIONS.

Section 104(c)(2)(A)(ii) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 (22 U.S.C. 8513(c)(2)(A)(ii)) is amended by inserting before “or support for acts of international terrorism” the following “, including Hizballah

(as defined in section 102(f)(1)(E) of the Hizballah International Financing Prevention Act of 2015 (Public Law 114-102; 50 U.S.C. 1701 note)), and any affiliates or successors thereof.”.

SEC. 105. UNITED STATES STRATEGY TO PREVENT HOSTILE ACTIVITIES BY IRAN AND DISRUPT AND DEGRADE HIZBALLAH’S ILLICIT NETWORKS IN THE WESTERN HEMISPHERE.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the Secretary of State shall submit to the appropriate congressional committees a strategy to prevent hostile activities by Iran and disrupt and degrade Hizballah’s illicit networks in the Western Hemisphere that—

(1) identifies Department of State priorities, in coordination with other executive branch agencies, for defining United States policy to protect United States interests from Iranian and Hizballah threats in the Western Hemisphere;

(2) coordinates with other executive branch agencies to ensure that information-sharing, interdictions, arrests, investigations, indictments, sanctions, and designations related to Hizballah individuals or networks in the Western Hemisphere are integrated, coordinated, and publicly communicated by the United States in a manner that supports United States interests;

(3) describes Iranian and Hizballah activities in the Western Hemisphere, their relationships with transnational criminal organizations in the region, their use of the region’s commodities trade to engage in illicit activities, and their use of Latin American and Caribbean visas, including through Citizenship by Investment Programs to seek admittance into the United States, as well as a plan to address any security vulnerabilities to the United States;

(4) includes a review of all relevant United States sanctions that relate to Hizballah’s activities in Latin America and the Caribbean and an assessment of their use, effectiveness, and any capability gaps;

(5) includes a review of the use of the Department of State’s rewards program under section 36 of the State Department Basic Authorities Act (22 U.S.C. 2708) to obtain information related to Latin America-based Hizballah operatives and illicit networks and an assessment of the effectiveness of this program for targeting Hizballah in the Western Hemisphere;

(6) includes a review of all relevant United States sanctions on financial institutions in Latin America and the Caribbean that engage in activities outlined by section 102 of Hizballah International Financing Prevention Act of 2015 (Public Law 114-102; 50 U.S.C. 1701 note) and an assessment of the use of the authorities outlined, their effectiveness, and recommendations for improvement;

(7) describes Hizballah criminal support networks, including country facilitation, in the Western Hemisphere and outlines a United States approach to partners in the region to address those illicit networks and build country capacity to combat the transnational criminal activities of Hizballah; and

(8) includes a review of the actions of governments in the Western Hemisphere to identify, investigate, and prosecute Latin America-based Hizballah operatives, and enforce sanctions either personally or to their business interests of Latin America-based Hizballah operatives as well as recommendations for United States action towards governments who refuse to impose sanctions or who willingly facilitate Latin America-based Hizballah illicit activities.

(b) FORM.—The strategy required by subsection (a) shall be submitted in unclassified form to the greatest extent possible but may include a classified annex.

(c) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this section, the term “appropriate congressional committees” means—

(1) the Committee on Foreign Affairs, the Committee on Financial Services, the Committee on Appropriations, and the Permanent Select Committee on Intelligence of the House of Representatives; and

(2) the Committee on Foreign Relations, the Committee on Banking, Housing, and Urban Affairs, the Committee on Appropriations, and the Select Committee on Intelligence of the Senate.

(d) DIPLOMATIC ENGAGEMENT.—

(1) IN GENERAL.—Title I of the Hizballah International Financing Prevention Act of 2015 (Public Law 114–102; 129 Stat. 2206; 50 U.S.C. 1701 note), as amended by section 103 of this Act, is further amended by adding at the end the following:

“SEC. 104. DIPLOMATIC INITIATIVES.

“Not later than 90 days after the date of the enactment of this section, the President shall instruct—

“(1) the Secretary of State to increase cooperation with countries in the Western Hemisphere to assist in strengthening the capacity of governments to prevent hostile activity by Iran and disrupt and degrade Hizballah’s illicit networks operating in the region, including diplomatic engagement that involves—

“(A) efforts to target and expose illicit networks, arrest perpetrators, freeze assets, and attack Iran and Hizballah’s use of illicit networks using international trade and banking systems;

“(B) efforts to revoke or deny visas from those implicated in Hizballah’s activity in the region, including lawyers, accountants, business partners, service providers, and politicians who knowingly facilitate or fail to take measures to counter Hizballah’s illicit finance in their own jurisdictions;

“(C) efforts to assist willing nations with the development of counter-organized crime legislation, the strengthening of financial investigative capacity, and a fully-vetted counter-organized crime judicial model in places plagued with corruption; and

“(D) efforts to persuade governments in the region to list Hizballah as a terrorist organization;

“(2) the United States Permanent Representative to the Organization of American States to work to secure support at the Organization of American States for a resolution that would declare Hizballah as a terrorist organization and address Hizballah’s illicit networks operating in the region;

“(3) the United States Ambassador to the Organization for Security and Cooperation in Europe (OSCE) to work to secure a report on compliance by participating states with OSCE Decision Number 1063, the ‘Consolidated Framework for the Fight Against Terrorism’, in regard to Hizballah, with particular focus on the mandate to ‘suppress the financing of terrorism, including its links with money-laundering and illegal economic activities’, especially as it relates transatlantic relations, including with Latin America and the Caribbean; and

“(4) United States diplomats to work with international forums, including the Financial Action Task Force, to identify government entities within Latin America and the Caribbean that provide support, facilitation, or assistance to individuals affiliated with Hizballah in the Western Hemisphere.”.

(2) CLERICAL AMENDMENT.—The table of contents for the Hizballah International Financing Prevention Act of 2015 is amended by inserting after the item related to section 103 the following new item:

“Sec. 104. Diplomatic initiatives.”.

TITLE II—NARCOTICS TRAFFICKING AND SIGNIFICANT TRANSNATIONAL CRIMINAL ACTIVITIES OF HIZBALLAH

SEC. 201. BLOCKING OF PROPERTY OF AFFILIATED NETWORKS OF HIZBALLAH.

(a) IN GENERAL.—Section 201 of the Hizballah International Financing Prevention Act of 2015 (Public Law 114–102; 50 U.S.C. 1701 note) is amended to read as follows:

“SEC. 201. IMPOSITION OF SANCTIONS WITH RESPECT TO AFFILIATED NETWORKS OF HIZBALLAH.

“(a) IN GENERAL.—Not later than 120 days after the date of the enactment of this section, and as appropriate thereafter, the President shall impose the sanctions described in subsection (b) with respect to affiliated networks of Hizballah, including by reason of significant transnational criminal activities of such networks.

“(b) SANCTIONS DESCRIBED.—The sanctions described in this subsection are sanctions applied with respect to a foreign person pursuant to Executive Order 13581 (75 Fed. Reg. 44,757) (as such Executive order was in effect on the day before the date of the enactment of this section).

“(c) DEFINITION.—In this section, the term ‘Hizballah’ has the meaning given such term in section 102(f).”.

(b) CLERICAL AMENDMENTS.—The table of contents for the Hizballah International Financing Prevention Act of 2015 is amended—

(1) by striking the item relating to title II and inserting the following:

“TITLE II—IMPOSITION OF SANCTIONS WITH RESPECT TO AFFILIATED NETWORKS OF HIZBALLAH AND REPORTS AND BRIEFINGS ON NARCOTICS TRAFFICKING AND SIGNIFICANT TRANSNATIONAL CRIMINAL ACTIVITIES OF HIZBALLAH”;

and

(2) by striking the item relating to section 201 and inserting the following:

“Sec. 201. Imposition of sanctions with respect to affiliated networks of Hizballah.”.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on the date that is 90 days after the date of the enactment of this Act.

SEC. 202. REPORT ON RACKETEERING ACTIVITIES ENGAGED IN BY HIZBALLAH.

(a) IN GENERAL.—Section 202 of the Hizballah International Financing Prevention Act of 2015 (Public Law 114–102; 50 U.S.C. 1701 note) is amended to read as follows:

“SEC. 202. REPORT ON RACKETEERING ACTIVITIES ENGAGED IN BY HIZBALLAH.

“(a) IN GENERAL.—Not later than 120 days after the date of the enactment of the Hizballah International Financing Prevention Amendments Act of 2017, and annually thereafter for the following 5 years, the Assistant Attorney General for the Criminal Division of the Department of Justice and the Administrator of the Drug Enforcement Administration, in coordination with the Secretary of the Treasury and the heads of other applicable Federal agencies, shall jointly submit to the appropriate congressional committees a report on the following:

“(1) Activities that Hizballah, and agents and affiliates of Hizballah, have engaged in that are racketeering activities.

“(2) The extent to which Hizballah, and agents and affiliates of Hizballah, engage in a pattern of such racketeering activities.

“(b) FORM OF REPORT.—Each report required under subsection (a) shall be submitted in an unclassified form but may contain a classified annex.

“(c) DEFINITIONS.—In this section:

“(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ‘appropriate congressional committees’ means—

“(A) the Committee on the Judiciary, the Committee on Foreign Affairs, and the Committee on Appropriations of the House of Representatives; and

“(B) the Committee on the Judiciary, the Committee on Foreign Relations, and the Committee on Appropriations of the Senate.

“(2) HIZBALLAH.—The term ‘Hizballah’ has the meaning given that term in section 102(f).

“(3) RACKETEERING ACTIVITY.—The term ‘racketeering activity’ has the meaning given that term in section 1961(1) of title 18, United States Code.”.

(b) CLERICAL AMENDMENT.—The table of contents for the Hizballah International Financing Prevention Act of 2015 is amended by striking the item relating to section 202 and inserting the following:

“Sec. 202. Report on racketeering activities engaged in by Hizballah.”.

SEC. 203. MODIFICATION OF REPORT ON ACTIVITIES OF FOREIGN GOVERNMENTS TO DISRUPT GLOBAL LOGISTICS NETWORKS AND FUNDRAISING, FINANCING, AND MONEY LAUNDERING ACTIVITIES OF HIZBALLAH.

(a) IN GENERAL.—Section 204(a)(1) of the Hizballah International Financing Prevention Act of 2015 (Public Law 114–102; 50 U.S.C. 1701 note) is amended—

(1) in the matter preceding subparagraph (A), by striking “this Act” and inserting “the Hizballah International Financing Prevention Amendments Act of 2017, and annually thereafter for the following 5 years”;

(2) in subparagraph (D)(ii)(II), by striking “and” at the end;

(3) in subparagraph (E), by striking “and free-trade zones.” and inserting “free-trade zones, business partnerships and joint ventures, and other investments in small and medium-sized enterprises.”; and

(4) by adding at the end the following:

“(F) a list of provinces, municipalities, and local governments outside of Lebanon that expressly consent to, or with knowledge allow, tolerate, or disregard the use of their territory by Hizballah to carry out terrorist activities, including training, financing, and recruitment;

“(G) a description of the total aggregate revenues and remittances that Hizballah receives from the global logistics networks of Hizballah, including—

“(i) a list of Hizballah’s sources of revenue, including sources of revenue based on illicit activity, revenues from Iran, charities, and other business activities; and

“(ii) a list of Hizballah’s expenditures, including expenditures for ongoing military operations, social networks, and external operations;

“(H) a survey of national and transnational legal measures available to target Hizballah’s financial networks;

“(I) an assessment of Hizballah’s financial operations in areas under its operational or political control in Lebanon and Syria and available measures to target Hizballah’s financial operations in those areas;

“(J) a review of Hizballah’s international operational capabilities, including in the United States; and

“(K) a review of—

“(i) the total number and value of Hizballah-related assets seized and forfeited; and

“(ii) the total number of indictments, prosecutions, and extraditions of Hizballah members or affiliates.”.

(b) REPORT ON ESTIMATED NET WORTH OF AND DETERMINATION WITH RESPECT TO SENIOR HIZBALLAH MEMBERS.—

(1) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, and not less frequently than annually thereafter for the following 2 years, the President

shall submit to the appropriate congressional committees a report that contains—

(A) the estimated total net worth of each individual described in paragraph (2);

(B) a description of how funds of each individual described in paragraph (2) were acquired, and how such funds have been used or employed; and

(C) a determination of whether each individual described in paragraph (2) meets the criteria described in paragraph (3) or (4) of section 1263(a) of the National Defense Authorization Act for Fiscal Year 2017 (Public Law 114-328; 22 U.S.C. 2656 note).

(2) INDIVIDUALS DESCRIBED.—The individuals described in this paragraph are the following:

(A) The Secretary General of Hizballah.

(B) Members of the Hizballah Politburo.

(C) Any other individual that the President determines is a senior foreign political figure of Hizballah, is associated with Hizballah, or otherwise provides significant support to Hizballah.

(3) FORM OF REPORT; PUBLIC AVAILABILITY.—

(A) FORM.—The report required under paragraph (1) shall be submitted in unclassified form but may include a classified annex.

(B) PUBLIC AVAILABILITY.—The unclassified portion of the report required under paragraph (1) shall be made available to the public and posted on the website of the Department of State and all United States Embassy websites.

(4) DEFINITIONS.—In this subsection:

(A) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term “appropriate congressional committees” means—

(i) the Committee on Foreign Affairs, the Committee on Financial Services, the Committee on Appropriations, and the Permanent Select Committee on Intelligence of the House of Representatives; and

(ii) the Committee on Foreign Relations, the Committee on Banking, Housing, and Urban Affairs, the Committee on Appropriations, and the Select Committee on Intelligence of the Senate.

(B) FUNDS.—The term “funds” means—

(i) cash;

(ii) equity;

(iii) any other intangible asset the value of which is derived from a contractual claim, including bank deposits, bonds, stocks, a security (as defined in section 2(a) of the Securities Act of 1933 (15 U.S.C. 77b(a))), or a security or an equity security (as those terms are defined in section 3(a) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a))); and

(iv) anything else of value that the President determines to be appropriate.

(C) SENIOR FOREIGN POLITICAL FIGURE.—The term “senior foreign political figure” has the meaning given that term in section 1010.605 of title 31, Code of Federal Regulations (or any successor regulation).

SEC. 204. REPORT ON COMBATING THE ILLICIT TOBACCO TRAFFICKING NETWORKS USED BY HIZBALLAH AND OTHER FOREIGN TERRORIST ORGANIZATIONS.

(a) IN GENERAL.—Not later than 180 days after the date of the enactment of this Act, the President shall submit to the appropriate congressional committees a report on combating the illicit tobacco trafficking networks used by Hizballah and other foreign terrorist organizations to finance their operations, as described in the report submitted to Congress in December 2015 by the Department of State, the Department of Justice, the Department of the Treasury, the Department of Homeland Security, and the Department of Health and Human Services entitled, “The Global Illicit Trade in Tobacco: A Threat to National Security.”

(b) MATTERS TO BE ADDRESSED.—The report required by subsection (a) shall include the following:

(1) A description of the steps to be taken by Federal agencies to combat the illicit tobacco trafficking networks used by Hizballah, other foreign terrorist organizations, and other illicit actors.

(2) A description of the steps to be taken to engage State and local law enforcement authorities in efforts to combat illicit tobacco trafficking networks operating within the United States.

(3) A description of the steps to be taken to engage foreign government law enforcement and intelligence authorities in efforts to combat illicit tobacco trafficking networks operating outside the United States.

(4) Recommendations for legislative or administrative action needed to address the threat of illicit tobacco trafficking networks.

(c) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this section, the term “appropriate congressional committees” means—

(1) the Committee on Foreign Affairs, the Committee on Armed Services, the Committee on Homeland Security, the Committee on the Judiciary, the Committee on Financial Services, the Committee on Ways and Means, the Committee on Appropriations, and the Permanent Select Committee on Intelligence of the House of Representatives; and

(2) the Committee on Foreign Relations, the Committee on Armed Services, the Committee on Homeland Security and Governmental Affairs, the Committee on the Judiciary, the Committee on Banking, Housing, and Urban Affairs, the Committee on Finance, the Committee on Appropriations, and the Select Committee on Intelligence of the Senate.

TITLE III—GENERAL PROVISIONS

SEC. 301. REGULATORY AUTHORITY.

(a) IN GENERAL.—The President shall, not later than 180 days after the date of the enactment of this Act, prescribe regulations as necessary for the implementation of this Act and the amendments made by this Act.

(b) BRIEFING TO CONGRESS.—Not later than 10 days before the prescription of regulations under subsection (a), the President shall brief the appropriate congressional committees of the proposed regulations and the provisions of this Act and the amendments made by this Act that the regulations are implementing.

(c) APPROPRIATE CONGRESSIONAL COMMITTEES DEFINED.—In this section, the term “appropriate congressional committees” means—

(1) the Committee on Foreign Affairs, the Committee on Financial Services, and the Committee on Ways and Means of the House of Representatives; and

(2) the Committee on Foreign Relations, the Committee on Banking, Housing, and Urban Affairs, and the Committee on Finance of the Senate.

SEC. 302. IMPLEMENTATION; PENALTIES; JUDICIAL REVIEW; EXEMPTIONS.

(a) IN GENERAL.—Title I of the Hizballah International Financing Prevention Act of 2015 (Public Law 114-102; 50 U.S.C. 1701 note), as amended by sections 103 and 105 of this Act, is further amended by adding at the end the following:

“**SEC. 105. IMPLEMENTATION; PENALTIES; JUDICIAL REVIEW; EXEMPTIONS; RULE OF CONSTRUCTION.**

“(a) IMPLEMENTATION.—The President may exercise all authorities provided under sections 203 and 205 of the International Emergency Economic Powers Act (50 U.S.C. 1702 and 1704) to carry out sections 101 and 103.

“(b) PENALTIES.—The penalties provided for in subsections (b) and (c) of section 206 of the International Emergency Economic Pow-

ers Act (50 U.S.C. 1705) shall apply to a person that violates, attempts to violate, conspires to violate, or causes a violation of regulations prescribed to carry out section 101 or 103 to the same extent that such penalties apply to a person that commits an unlawful act described in subsection (a) of such section 206.

“(c) PROCEDURES FOR JUDICIAL REVIEW OF CLASSIFIED INFORMATION.—

“(1) IN GENERAL.—If a finding, or a prohibition, condition, or penalty imposed as a result of any such finding, is based on classified information (as defined in section 1(a) of the Classified Information Procedures Act (18 U.S.C. App.)) and a court reviews the finding or the imposition of the prohibition, condition, or penalty, the President may submit such information to the court ex parte and in camera.

“(2) RULE OF CONSTRUCTION.—Nothing in this subsection shall be construed to confer or imply any right to judicial review of any finding under section 101 or 103 or any prohibition, condition, or penalty imposed as a result of any such finding.

“(d) EXEMPTIONS.—The following activities shall be exempt from sections 101 and 103:

“(1) Any authorized intelligence, law enforcement, or national security activities of the United States.

“(2) Any transaction necessary to comply with United States obligations under the Agreement between the United Nations and the United States of America regarding the Headquarters of the United States, signed at Lake Success June 26, 1947, and entered into force November 21, 1947, or under the Convention on Consular Relations, done at Vienna April 24, 1963, and entered into force March 19, 1967, or any other United States international agreement.

“(e) RULE OF CONSTRUCTION.—Nothing in section 101 or 103 shall be construed to limit the authority of the President under the International Emergency Economic Powers Act (50 U.S.C. 1701 et seq.) or under any other provision of law.”

(b) CLERICAL AMENDMENT.—The table of contents for the Hizballah International Financing Prevention Act of 2015 is amended by inserting after the item relating to section 104, as added by section 105(c) of this Act, the following new item:

“Sec. 105. Implementation; penalties; judicial review; exemptions; rule of construction.”

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from California (Mr. ROYCE) and the gentleman from New York (Mr. ENGEL) each will control 20 minutes.

The Chair recognizes the gentleman from California.

GENERAL LEAVE

Mr. ROYCE of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend any remarks and to include extraneous material on this measure in the RECORD.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ROYCE of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, today we will consider legislation targeting Hezbollah, Iran's leading terrorist proxy, with tough, new sanctions.

It was 34 years ago this Monday that a truck bomb filled with explosives

detonated outside the United States Marine Corps barracks in Beirut, Lebanon, killing 241 of our servicemen. Between 1982 and 1984, we had 272 marines, soldiers, and sailors from 39 States and Puerto Rico lose their lives while serving as peacekeepers in Beirut. Hezbollah was behind those attacks.

Since that fateful day, Hezbollah has collaborated with Iran to expand terror throughout the region, taking hundreds of thousands of lives if we count the lives of human beings lost in Syria, in Yemen, in Iraq, and in Gaza.

Today, as a leading Iranian proxy, Hezbollah continues to be Iran's front line against Israel. Since its 2006 war with Israel, Hezbollah has dramatically grown its supply of rockets and missiles, allowing it to strike throughout Israel with great precision and force.

It is by putting that military power to very effective use that it has gleaned through what it has learned on the ground in Syria. In Syria, its fighters are key to Tehran and its efforts to prop up the Assad regime, working with the Revolutionary Guard and also working with Russian troops there.

So now Hezbollah and Iran are reportedly working to introduce game-changing weapons into Lebanon and Syria, and that is what brings about this particular bill. What they are trying to do is produce facilities for sophisticated rockets and missiles there on the ground, on the border in Syria, on the border, also, in Lebanon, and that could lead to another war.

It is not a cheap effort to do this. That is why the committee is focused on dismantling Hezbollah's financial networks. In 2015, we led the way to enact the Hezbollah International Financing Prevention Act to target those that facilitate financial transactions for Hezbollah.

Now this bill builds on that effort to further ramp up pressure on the Iranian proxy, Hezbollah. It sanctions regimes, including Iran and Syria, that provide weapons to Hezbollah—in other words, an attempt to stop the transfer of these weapons. It targets Hezbollah's innovative fundraising and recruiting efforts, including its attempts to crowdsource small donations to support its fighters, which is the latest evolution of Hezbollah's efforts.

□ 1545

Hezbollah launched an online crowdsourcing campaign entitled: "Equip a Mujahid," which calls for donations, large or small, payable in installments or in one sum, to equip suicide bombers and Hezbollah fighters.

This bill recognizes that Hezbollah is no longer only a terrorist group, but is also a global criminal organization, which has developed a global criminal network that profits from drug trafficking, money laundering, counterfeiting, and cigarette smuggling, and it gives the administration the tools to respond accordingly.

Mr. Speaker, for years, this body has led the way in calling for the need to

respond to the full range of threats from Iran. Hezbollah, the regime's leading terrorist proxy, ranks among the top of those threats, in terms of what is being encountered right now.

So I urge my colleagues to support this effort to ensure that the United States has the tools to respond.

Mr. Speaker, I reserve the balance of my time.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, October 23, 2017.

Hon. BOB GOODLATTE,
Chairman, Committee on the Judiciary, Washington, DC.

DEAR CHAIRMAN GOODLATTE: Thank you for consulting with the Foreign Affairs Committee and agreeing to be discharged from further consideration of H.R. 3329, the Hizballah International Financing Prevention Amendments Act of 2017, so that the bill may proceed expeditiously to the House floor.

I agree that your forgoing further action on this measure does not in any way diminish or alter the jurisdiction of your committee, or prejudice its jurisdictional prerogatives on this resolution or similar legislation in the future. I would support your effort to seek appointment of an appropriate number of conferees from your committee to any House-Senate conference on this legislation.

I will seek to place our letters on H.R. 3329 into the Congressional Record during floor consideration of the bill. I appreciate your cooperation regarding this legislation and look forward to continuing to work together as this measure moves through the legislative process.

Sincerely,

EDWARD R. ROYCE,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FINANCIAL SERVICES,
Washington, DC, October 20, 2017.

Hon. ED ROYCE,
Chairman, Committee on Foreign Affairs, Washington, DC.

DEAR CHAIRMAN ROYCE: I am writing concerning H.R. 3329, the Hizballah International Financing Prevention Amendments Act of 2017, as amended.

As a result of your having consulted with the Committee on Financial Services concerning provisions in the bill that fall within our Rule X jurisdiction, I agree to forgo action on the bill so that it may proceed expeditiously to the House Floor. The Committee on Financial Services takes this action with our mutual understanding that, by foregoing consideration of H.R. 3329, as amended, at this time, we do not waive any jurisdiction over the subject matter contained in this or similar legislation, and that our Committee will be appropriately consulted and involved as this or similar legislation moves forward so that we may address any remaining issues that fall within our Rule X jurisdiction. Our Committee also reserves the right to seek appointment of an appropriate number of conferees to any House-Senate conference involving this or similar legislation, and requests your support for any such request.

Finally, I would appreciate your response to this letter confirming this understanding with respect to H.R. 3329 and would ask that a copy of our exchange of letters on this matter be included in the Committee Report and the Congressional Record during floor consideration thereof.

Sincerely,

JEB HENSARLING,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, October 23, 2017.

Hon. JEB HENSARLING,
Chairman, Committee on Financial Services, Washington, DC.

DEAR CHAIRMAN HENSARLING: Thank you for consulting with the Foreign Affairs Committee and agreeing to be discharged from further consideration of H.R. 3329, the Hizballah International Financing Prevention Amendments Act of 2017, so that the bill may proceed expeditiously to the House floor.

I agree that your forgoing further action on this measure does not in any way diminish or alter the jurisdiction of your committee, or prejudice its jurisdictional prerogatives on this resolution or similar legislation in the future. I would support your effort to seek appointment of an appropriate number of conferees from your committee to any House-Senate conference on this legislation.

I will seek to place our letters on H.R. 3329 into the Congressional Record during floor consideration of the bill. I appreciate your cooperation regarding this legislation and look forward to continuing to work together as this measure moves through the legislative process.

Sincerely,

EDWARD R. ROYCE,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON WAYS AND MEANS,
Washington, DC, October 23, 2017.

Hon. EDWARD R. ROYCE,
Chairman, Committee on Foreign Affairs, Washington, DC.

DEAR CHAIRMAN ROYCE: I am writing with respect to H.R. 3329, the "Hizballah International Financing Prevention Amendments Act of 2017."

As a result of your having consulted with us on this measure, I agree not to seek a sequential referral on this bill so that it may move expeditiously to the floor. The Committee on Ways and Means takes this action with the mutual understanding that we do not waive any jurisdiction over the subject matter contained in this or similar legislation, and the Committee will be appropriately consulted and involved as the bill or similar legislation moves forward so that we may address any remaining issues that fall within our jurisdiction. The Committee also reserves the right to seek appointment of an appropriate number of conferees to any House-Senate conference involving this or similar legislation, and requests your support for such request.

Finally, I would appreciate your response to this letter confirming this understanding, and would ask that a copy of our exchange of letters on this matter be included in the Congressional Record during floor consideration of H.R. 3329.

Sincerely,

KEVIN BRADY,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON FOREIGN AFFAIRS,
Washington, DC, October 23, 2017.

Hon. KEVIN BRADY,
Chairman, Committee on Ways and Means, Washington, DC.

DEAR CHAIRMAN BRADY: Thank you for consulting with the Foreign Affairs Committee and agreeing to forgo a sequential referral request on H.R. 3329, the Hizballah International Financing Prevention Amendments Act of 2017, so that the bill may proceed expeditiously to the House floor.

I agree that your forgoing further action on this measure does not in any way diminish or alter the jurisdiction of your committee, or prejudice its jurisdictional prerogatives on this resolution or similar legislation in the future. I would support your effort to seek appointment of an appropriate number of conferees from your committee to any House-Senate conference on this legislation.

I will seek to place our letters on H.R. 3329 into the Congressional Record during floor consideration of the bill. I appreciate your cooperation regarding this legislation and look forward to continuing to work together as this measure moves through the legislative process.

Sincerely,

EDWARD R. ROYCE,
Chairman.

Mr. ENGEL. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this measure.

Let me again thank Chairman ROYCE for his leadership and for his hard work on this bill. I am glad to be the lead Democratic cosponsor of this legislation, which builds on a law that ED ROYCE and I wrote in 2015.

One of the best ways to stop Hezbollah's dangerous activity is to cut off its financing, which is what we tried to do 2 years ago. We went after Hezbollah's financial patrons, including Iran. But again, this is a group that, if you block one path forward, they will do what it takes to find another way around.

So with this measure, we are broadening existing law by going after a bigger universe of Hezbollah supporters and enablers. This bill would impose mandatory sanctions on any third parties or governments providing money, equipment, or weapons to Hezbollah.

We know that Iran will again get caught up in this dragnet, and this bill doesn't run afoul of our obligations under the nuclear deal or any other deal. After all, Iran's support for Hezbollah is outside the scope of the JCPOA.

But it is not just Iran. In recent years, we have seen Moscow step up its support of Hezbollah, particularly on the battlefields of Syria, where Russia has supplied Hezbollah with weapons. It is really outrageous. Russia claims to be fighting so-called terrorists as they bomb schools, hospitals, and marketplaces. Yet Russian weapons are ending up in Hezbollah hands.

Let me be clear: Hezbollah is a terrorist group. It is as simple as that. Chairman ROYCE and I have said this many times. The Russia-Hezbollah relationship threatens to undermine global antiterrorism efforts.

This bill sends a message that any government in cahoots with Hezbollah, anyone who wants to do business with this terrorist group or support its violent aims, is going to face the consequences.

This is a timely bill. Iran is building weapons factories in southern Lebanon that would be buried far underground, out of Israel's reach. The missiles that will come off that assembly line are

more precise and have a longer range, putting virtually the whole of Israel in their sights.

Iran's and Hezbollah's presence in Syria, particularly in the south, right on Israel's borders, is a very serious concern. I worry about the deescalation zones the United States helped to establish in southern Syria. We don't want those zones to become hotbeds of Hezbollah.

Several weeks ago, I was in Israel, and we trekked up to the border between Israel and Lebanon. At the border, as far as the eye can see, when you are in Israel and you are looking down at Lebanon, you see a number of flags. Are they the Lebanese flag? No. It is the Hezbollah flag.

Hezbollah has virtually taken over large parts of Lebanon, strangling the Lebanese people as well. The Lebanese people are suffering under a brutal terrorist group that is embedded in a society that disallows them to act as a free and open society.

My heart really goes out to the Lebanese people, who have a terrorist group virtually sitting in their lap, refusing to move, and putting them in all kinds of danger.

These areas have the potential to create a safe haven for Hezbollah and Iranian actors. They will stoke existing tensions and could create a corridor from Tehran to the Mediterranean through Iraq, Syria, and Lebanon. This would present a major shift in the regional balance of power, and it would present threats to Israel that it could not ignore.

If these deescalation zones end up empowering Iran and Hezbollah, then we will have betrayed our ally, Israel, at the most critical moment. That is why we are passing this bill.

I, again, thank Chairman ROYCE for his continued strong leadership on this issue. I strongly support this measure.

Mr. Speaker, I reserve the balance of my time.

Mr. ROYCE of California. Mr. Speaker, in view of the National Defense Authorization conference, and in view of the fact that, from the House side, Mr. ENGEL and I both serve on that conference, I yield the balance of my time to the gentlewoman from Florida (Ms. ROS-LEHTINEN), and I ask unanimous consent that she may control that time on this legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. ENGEL. Mr. Speaker, since I, too, will go over to the Senate side, I yield the balance of my time to the gentleman from Florida (Mr. DEUTCH), and I ask unanimous consent that he may control the time on this bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I thank the chairman of our committee, Mr. ROYCE from California, and the ranking member, Mr. ENGEL from New York, once again for their leadership. They are the dynamic duo of the Foreign Affairs Committee on this issue. This is a very important day, in terms of sanctioning evildoers in the world.

Mr. Speaker, I am proud to cosponsor the bill promoted by Chairman ROYCE and Ranking Member ELIOT ENGEL, H.R. 3329, the Hizballah International Financing Prevention Amendments Act. This is yet another strong, bipartisan bill that they have authored and brought to the floor, aimed at holding Iran and its proxy, Hezbollah, accountable for their illicit activity.

I was pleased that my amendment to this bill was included to ensure that we identify those Hezbollah parliamentarians and cabinet officials who are subject to the sanctions in this bill and the underlying bill that it amends.

This is important, Mr. Speaker, because Hezbollah members have prominent positions in Lebanon's Government, and we want to ensure that they cannot use government funds to divert to Hezbollah's terror activity, and, if they do, those institutions that help facilitate such activity are held to account.

I was also pleased to see other provisions approved that would allow us to identify and track individuals and entities that are being used by Iran to supply Hezbollah with arms or support for its missile production facilities in Syria.

We know that Iran uses commercial civilian aircraft to fly weapons, arms, and fighters to Syria in support of Hezbollah. We cannot allow Iran to use these civilian aircraft for such activity. This is the first step toward making sure that, once these aircraft are identified, responsible nations will think twice about allowing these Iranian planes to land in their countries.

This bill also addresses Iran's and Hezbollah's ability to finance their illicit activities, which is so important, Mr. Speaker. We must go after those individuals and those institutions that provide financial safe havens to these terror groups, and we have got to disrupt their financial networks.

That is why this bill is so important, and I urge my colleagues to support Chairman ROYCE's and Ranking Member ENGEL's measure before us today.

Mr. Speaker, I reserve the balance of my time.

Mr. DEUTCH. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, it is good to be on the floor with my friend and colleague from Florida to speak in support of H.R. 3329, an important bipartisan effort brought forward by Chairman ROYCE and Ranking Member ENGEL, an important measure to further combat Hezbollah's terrorist activity.

We made great strides 2 years ago when we passed the Hezbollah International Financing Act, which has already begun to sever the terror group

from its funding sources. However, it is clear that more needs to be done.

The new bill will further restrict Hezbollah's ability to recruit and fundraise by targeting foreign state sponsors, including Iran, while also increasing pressure on banks and other international financial institutions that serve Hezbollah.

It is important to remember why it is in America's interest to combat Hezbollah terrorism. Not that anyone here or at home needs a reminder, we all remember, or we have all learned about, the 1983 attacks in Beirut on our Embassy and the Marine Corps barracks that killed hundreds of Americans; the attacks in Argentina on the Israeli Embassy in 1992, and the AMIA Jewish center in 1994 that, in total, killed over 100 more; the 1996 Khobar Towers bombing in Saudi Arabia; and more recent attacks in Europe, including the 2012 bus bombing of Israeli tourists in Bulgaria.

But it has been Hezbollah's support for the horrific Assad regime in Syria that has led even Arab governments in the region to acknowledge Hezbollah's dangerous role as an Iranian terror proxy. Last year, the Gulf Cooperation Council and the Arab League took the dynamic step of designating Hezbollah as a terrorist organization.

Yet, even while Hezbollah is focused on the war in Syria, its leader, Hassan Nasrallah, continues to vow Israel's destruction, a threat Israel's leaders don't take lightly, given two previous wars and intelligence suggesting Hezbollah now has over 150,000 missiles and rockets in Lebanon aimed at every corner of Israel's map.

In a future war, Israeli defense officials fear that Hezbollah will launch over a thousand rockets a day with the capacity to hit civilians in Israel's north, across Tel Aviv and Jerusalem, and even in the southernmost city, Eilat.

This is made all the more troubling by reports that Iran, in addition to transferring advanced precision-guided missiles to Hezbollah, is now helping the terror group set up indigenous missile development facilities in both Syria and Lebanon.

These are unacceptable developments. They underscore the importance of today's legislation: cut off Hezbollah's most critical sources of funding and support, including from its primary sponsor, Iran.

I am proud to support this bipartisan legislation, and I urge my colleagues to support it as well.

Mr. Speaker, I reserve the balance of my time.

Ms. ROS-LEHTINEN. Mr. Speaker, we have no further speakers, and I reserve the balance of my time.

Mr. DEUTCH. Mr. Speaker, I thank my friend from Florida for her tireless leadership in standing up for all those pushing back against Iran's influence in the region, Iran's support for Hezbollah, and specifically here, cutting off sources of funding for Hezbollah.

Mr. Speaker, I yield back the balance of my time.

Ms. ROS-LEHTINEN. Mr. Speaker, I yield myself such time as I may consume.

For 30 years, Hezbollah has remained Iran's proxy and Iran remains Hezbollah's primary source of financial support—a cozy relationship.

In April 2015, its leader, Hassan Nasrallah, boasted that, even under sanctions, Iran still funds Hezbollah's terror. He anticipated that “a rich and powerful Iran, which will be open to the world” will be able to do even more.

The Iran nuclear agreement has made it possible for Iran to provide Hezbollah with a windfall. But Tehran is not Hezbollah's only source of income. Since its inception, Hezbollah has developed a broad criminal network involved in a range of illicit activities, from drug trafficking to cigarette smuggling, to money laundering to counterfeiting.

These global terrorists double as global criminals. This is why we must employ a combination of law enforcement, financial, criminal, civil, and regulatory tools to deter, disrupt, and publicly illuminate the global illicit Hezbollah network.

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I want to thank Chairman ROYCE and Ranking Member ENGEL for closely collaborating and developing this critical legislation, as well as Senator RUBIO and Senator SHAHEEN in the Senate that have taken the lead on this effort in the Senate. I look forward to continuing to work with them to get this critical legislation signed into law.

Mr. Speaker, I yield back the balance of my time.

Mr. SCHNEIDER. Mr. Speaker, I rise in strong support of H.R. 3329, the Hizballah International Financing Prevention Amendments Act. This important legislation builds on the Hizballah International Financing Prevention Act of 2015. I was pleased to have originally introduced this bill in 2014 with my colleague MARK MEADOWS.

Hizballah at the behest and assistance of Iran is active in Syria and has helped Assad maintain regime control. Hizballah fighters are returning to Lebanon more battle-tested and more capable than ever before.

In Lebanon, again with assistance from Iran, Hizballah has been able to amass more than 150,000 rockets—a ten-fold increase compared to 15,000 in 2006.

Iran uses several means to transfer weapons to Hizballah, including by land, sea, and air and is now reportedly building missile production facilities in Lebanon to enable an indigenous rocket-producing capability for Hizballah.

Hizballah is not only a grave threat to our ally Israel, they are a threat to regional security and America's national security interests. Hizballah will be far more dangerous than ever before with an indigenous rocket-producing capability.

That is why I am pleased that an amendment I offered during the full committee markup of H.R. 3329 was included in the bill to en-

sure the U.S. Government is focused on this urgent threat. My amendment would require the President to report to Congress on the foreign and domestic supply chain that advances Hizballah's domestic missile capabilities. This includes how Iran is able to transfer goods and technology, a list of those who facilitate missile transfers, and the steps being taken to disrupt the supply chain that advances Hizballah's missile capabilities.

The United States cannot stand by while Israel faces such a grave threat on its northern border. We must decisively act and we deserve to know what exactly the U.S. Government is doing to combat this threat.

I urge my colleagues to support H.R. 3329.

The SPEAKER pro tempore (Mr. DUNCAN of Tennessee). The question is on the motion offered by the gentleman from California (Mr. ROYCE) that the House suspend the rules and pass the bill, H.R. 3329, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

URGING EUROPEAN UNION TO DESIGNATE HIZBALLAH AS A TERRORIST ORGANIZATION

Ms. ROS-LEHTINEN. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 359) urging the European Union to designate Hizballah in its entirety as a terrorist organization and increase pressure on it and its members, as amended.

The Clerk read the title of the resolution.

The text of the resolution is as follows:

H. RES. 359

Whereas in July 2012 a Hizballah terror attack in Bulgaria killed five Israeli tourists and one Bulgarian;

Whereas in March 2013 a Hizballah operative in Cyprus was convicted of planning terror attacks after admitting he was a member of Hizballah, was trained in the use of weapons, and used a dual Swedish-Lebanese passport to travel around Europe on missions as a courier and scout for Hizballah;

Whereas though such Hizballah operative was convicted on criminal-related charges, authorities had to drop terrorism charges against him because Hizballah was not listed as a terrorist organization;

Whereas the European Union (EU) in July 2013 designated Hizballah's so-called “military wing”—but not the organization as a whole—as a terrorist organization;

Whereas despite restrictions put on Hizballah since the designation of its military wing, the group continues to conduct illicit narco-trafficking, money laundering, and weapons trafficking throughout Europe;

Whereas EU designation of Hizballah's military wing has enabled substantial and important cooperation between United States and European authorities aimed at uncovering and thwarting Hizballah's international criminal activities, such as drug trafficking and money laundering, the proceeds of which are used to purchase weapons and advance Hizballah's terrorist aims;

Whereas in December 2015 the Hizballah International Financing Prevention Act of 2015 (Public Law 114-102) was signed into law